



## Inside This Issue

### From the Director's Desk

A traditional update on the commission and its activities from the director, Dee Jones Noordermeer.

**New Licensees** The commission would like to welcome...

**Non-Renewals** A list of all licensees that have yet to renew their licenses.

### Clandestine Drug Labs

An article on how methamphetamines can affect selling and purchasing a home.

**Minimum business practices needed** A new developments on the "Consumer's Bill of Rights"

**Simple Rules on the Do-Not-Call List** A brief article on how to comply with the Do-Not-Call List

### Appraiser's Update

**Spring Caravan** The dates have been set and the course material has been chosen. The Spring Caravan will be coming soon.

## ATTENTION

We have been running into some issues with the forms on our web page and some missing mail. The Commission would like to remind you that our address changed in August. Our current address is:

**South Dakota Real Estate Commission**  
**425 E Capitol**  
**Pierre SD 57501**

## Clandestine Drug Labs, The Newest Real Estate Hazard

The production of illegal drugs continues to be a growing problem in the United States, quickly becoming the number one crises faced by law enforcement in some parts of the country. This problem is also having a very real impact on REALTORS® and their clients. IN several states, drug enforcement and public health agencies have effectively supported new legislation created to deal with the crisis. Provisions of these new laws make disclosure violations, property entry, and the removal of any affixed notice a felony, the newest, quickest way to lose your real estate license

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## Associations seek to set standards for agent behavior

### Minimum business practices needed

Three of the nation's largest local Realtor boards are hosting a meeting in Orlando to set a course toward establishing standards of real estate practice that not only would be embraced inside the profession, but adopted outside of it, as well.

The effort is directed at sales associate behavior with consumers, rather than broker-to-broker interaction or even broker-to-state regulator concerns.

The Feb. 1-3 meeting, being called "Touchstone for Excellence," is sponsored primarily by the Orlando, Chicago and Houston associations of Realtors. Nationally known association consultant Jeremy Conaway is one of the chief architects of the agenda.

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## From the Directors Desk

With the 79<sup>th</sup> Session of the South Dakota Legislature winding down, or perhaps over by the time you receive this newsletter, there are a couple of bills introduced that are of interest to those individuals licensed under Chapter 36-21A. Senate Bill 84, if passed, will require sellers and lessors of residential real property to disclose any prior knowledge of the manufacturing of methamphetamines on the premises. The Real Estate Commission will be charged with designing a separate disclosure form, probably similar to the lead-based paint disclosure form already in place. House Bill 1099 is waiting for Governor Rounds' signature. This law will provide a statute of limitations whereby no action may be brought against a licensed real estate broker, broker associate, or salesperson, or any agent or employee thereof, for malpractice, error, mistake, or omission, whether based upon contract or tort, unless it is commenced within three years of the occurrence of the alleged malpractice, error, mistake, or omission. This bill also includes licensed real estate partnerships, associations, limited liability companies, and corporations.

It has been brought to my attention that a few responsible brokers are not forwarding mail to those associates who either stop in the office infrequently or are located in a different community. By failing to provide these individuals with mail from the Commission may cause disciplinary action against the responsible broker. For instance, if the associate does not receive a renewal notice or an E & O renewal, the broker could be placed in a situation of associating with an unlicensed individual or inactive licensee.

Please take note of our upcoming Spring Caravan presented by Marie Spodek. Topics covered will include antitrust and agency. A portion of the agency session will cover the difference between limited and appointed agency. Appointed agency is not permitted under our current licensing statutes, so we want to make sure our licensees are not mistaking it for limited agency.

I recently had the pleasure of speaking to the Southern Hills Board of

REALTORS® in Custer and the Black Hills Association of REALTORS® and broker owners in Rapid City. All three groups were very hospitable and I appreciated the positive feedback I received. I feel it is very important that we keep the door of communication open between all the associations and the Commission.

St. Patrick's Day is just around the corner and so...For each petal on the shamrock, this brings a wish your way — good health, good luck, and happiness for today and every day.

*DjN*

## New Licensees

The South Dakota Real Estate Commission would like to welcome the following new licensees.

### Broker Associate

Bak, Bradley - Beresford  
Berry, Kathryn - Rapid City  
Blount, Scott - Sioux Falls  
Brice, Kristine - Rapid City  
Bring, LeRoy - Yankton  
Brost, Kurt - Sioux falls  
Clauson, Brenda - Black Hawk  
Dahl, Bryan - Watertown  
Dale, Georgia - Hermosa  
Earhart, Lisa - Sioux Falls  
Gallagher, Ashlee - Sioux Falls  
Golebiewski, Artur - Spearfish  
Green, Sheila - Custer  
Ham-Kelley, Jennifer - Custer  
Hamm, Nyla - Sioux City, IA  
Hedden, Matthew - Sioux Falls  
Hemphill, Andrea - Custer  
Heng, Justin - Sioux Falls  
Hogue, Jr., Charles - Gregory  
Holzmuller, Richard - Rapid City  
Johnson, Lauren - Sioux Falls  
Kelley, Clark - Sioux Falls  
Knopf, Patrick - Sioux Falls  
Kulesza, Ryan - Rapid City  
Larson, Gregory - Sioux Falls  
Larson, Isabell - Sioux Falls  
Loftus, Shelley - Sturgis  
Lone, Merry - Groton  
Mettler, David - Sioux Falls  
Nussbaum, Kelly - Garretson  
Petty, II, Ronald - Rapid City  
Preston, James - Hermosa  
Richter, Paul - Rapid City

Rott-Elliott, Julie - Aberdeen  
Schroeder, Lester - Spearfish  
Shuck, Kristi - Sioux Falls  
Thomas, Jan - Sioux Falls  
Tysdal, Jason - Spearfish  
Vetter, Eric - Aberdeen  
Walla, Jeremy - Rapid City

### Home Inspector

Rungquist, Keith - Rapid City

### Rental Agent

Friederich, Louise - Rapid City  
Pakalski, David - Rapid City  
Pakalski, Wanda - Rapid City

### Property Manager

Dean, Timothy - Winner

## South Dakota Real Estate VIEW

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### THE COMMISSION AND STAFF

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Loren Anderson, Vice-Chair..... Yankton  
Brian Jackson, Member ..... Pierre  
Charles Larkin III, Member ..... Watertown  
Nancy Ekstrum, Member ..... Philip  
Dee Jones Noordermeer,  
Executive Director ..... Pierre  
Josh Ring,  
Education Director. .... Pierre  
Norma Schilling, Secretary ..... Pierre  
Nancy Peck, Auditor..... Pierre  
Tim Buseman, Auditor..... Sioux Falls

Articles by outside experts express the author's particular viewpoints. These opinions are not necessarily shared by the Commission, nor should they be mistaken for official policy. The articles are included because they may be of interest to the readers.

# Non-Renewals

The following licensees had not renewed their licenses as of February 19, 2004. Any license not renewed by the expiration date is canceled. If the license of an active firm or active qualifying broker is not renewed all licenses hanging in that office must be returned to the Commission office. If your name appears on the list in error or you wish to reinstate the licenses, please contract the Commission office immediately.

## Active Auctioneer

Garry, John J, Parker, SD  
Tobin, LaVay, Sioux Falls, SD  
Wosje, John D, Nunde, SD

## Active Broker

Carr, Patrick E, Rochester, MN  
Christenson, Robert A, Sioux Falls, SD  
Clement, Terrance, Dickinson, ND  
Faulhaber, Nancy J, North Platte, NE  
Fischer, Flynn, Wessington, SD  
French, Donald L, South Sioux City, NE  
Galer, Ernest L, Iowa City, IA  
Hepper, Adolph, Mobridge, SD  
Hinnn, John M, Spirit Lake, IA  
Jans, Bennis J, Sioux Center IA  
Jensen, Loyal R, Spirit Lake, IA  
Johnson, Robert A, Groton, SD  
Jongeward, Brent A, Jamestown, ND  
Jorgensen, John E  
Kansanback, Arnold F, Windom, MN  
Keller, Suellen J, Sioux Falls, SD  
King Lowell E, Bardwell, KY  
Kukowski, Shawn, Dickinson, ND  
Magness, Bradley J, Huron, SD  
Mathiasen, Jennifer, Brookings, SD  
Maulis, Sally A, Winner, SD  
Morris, Gregory W, Littleton, CO  
Olson, Richard D, Bismarck, ND  
Ozog, Ronald F, San Diego, CA  
Penfield, Robert E, Bowman, ND  
Pullen, Gail L, Spearfish SD  
Robinson, Christine B, Valentine, NE  
Satterlee, Richard, Piedmont, SD  
Schneck, Weston, Ortonville, MN  
Sharkey, Kevin M, Excelsior, MN  
Smith, David G, Jasper, MN  
Strong, James H, Ortonville, MN  
Strotheide, Helen M, Hay Springs, NE  
Tomas, Phillip W, Clearlake Oaks, CA  
Vanderheyden, Michael J, Brooklyn Park, MN  
Weekes, Perry W, Bismark, ND  
Wells, Betty M, Sturgis, SD

## Active Lic. Home Inspector

Little Moon, Sr., Joseph W, Pine Ridge, SD  
Soderquist, John, Rapid City, SD  
White, Blake G, Pine Ridge, SD

## Active Property Manager

Ammann, Ryan J, Sioux Falls, SD  
Breidenbach, Pamela J, Sioux Falls, SD  
Buck, Edward L, Flandreau, SD  
Conviser, Samuel B, Brandon, SD

Dillion, James B, Custer, SD  
Jacobsen, Pamela, Vermillion, SD  
Jacobson, Clinton I, Groton, SD  
Pearson, Paula J, Madison, SD

## Active Reg. Home Inspector

Arpan, Randall, Alzada, MT  
Colan, Gregory L, Sioux Falls SD  
Conviser, Samuel B, Brandon, SD  
Degen, Brad, Sioux Falls SD  
Downs, David, Pierre, SD  
Dye, Bradley, Sioux Falls, SD  
Foell, Dean J, Fargo, ND  
Garbers, Debra K, Brookings, SD  
Heggen, Russell, Canton, SD  
Hoefert, Lonnie, Sioux Falls, SD  
Olson, Marla E, Mitchell, SD  
Sitzmann, Fred, Le Mars, IA  
Soderquiste, Stephen J, Rapid City, SD

## Active Res. Rental Agent

Van Hill, Al, Sioux Falls, SD

## Active Salesperson

Anacker, Gary, Centerville, SD  
Carver, Chad W, Hills, MN  
Coburn, Rebecca L, Sioux Falls, SD  
Droog, Preston M, Mobridge, SD  
Fletcher, Carlton H, Clinton, MN  
Frank, Dan D, Baldwin, ND  
Garry, John J, Parker, SD  
Gustafson, Heather S, Sioux Falls, SD  
Heins, Kenneth M, Rapid City, SD  
Hemmer, James L, Genoa, NE  
Hupp, Terrance P, Gordon, NE  
Hupp, Tommy J, Gordon, NE  
Johnson, Paul E, Madison, SD  
Kaplan, Ellen D, Sioux City IA  
Keenan, Robert J, Lakeside, NE  
Koscielski Arthur G, Rapid City, SD  
LaFee, David L, Wall, SD  
Likness, Marshall R, Webster, SD  
Lohman, Vernon, Pierre, SD  
McPherson, Kevin D, Rapid City, SD  
Norfolk, Robert, Le Mars, IA  
Salmon, Donald W, Reeder, ND  
Snyder, John D, Rapid City, SD  
Thompson, Christopher J, Madison, SD  
Valentine, Bernie, Sioux City, IA

## Active Time Share Agent

Hartsoch, Karen L, Springfield, OR  
Hermanson, John, Rapid City, SD  
Hoffine, Neil M, Sundance, WY  
Kuehler, Ryan, Spearfish, SD

## Inactive Auctioneer

Anderson, Donald R, Wall, SD  
DeBoer, Duane A, Oacoma, SD  
Mundhenke, Floyd, Willow Lake, SD

Plunkett, Virgil, Watertown, SD  
Regnier, Darrell, Canby, MN  
Sprecher, Robert, Mitchell, SD

## Inactive Broker

Ageton, Richard L, Sioux Falls, SD  
Anderson, Darlene M, Rapid City, SD  
Anderson, Robert E, Sioux Falls, SD  
Barge, Terry, Fort Pierre, SD  
Bauer, Joy L, Webster, SD  
Benham, W. James, Oro Valley, AZ  
Budahl, Beverly J, Sun City, AZ  
Bullard, William T, Pierre, SD  
Chaffee, Jerry L, Sturgis SD  
Christensen, Donald, Lake Benton, MN  
Corbett, LeAndra K, Sioux City, IA  
Dahn, Eugene H, Rapid City, SD  
Dardis, Bonnie L, Spearfish, SD  
Darnier, Jude B, Baltic, SD  
Deacon, Judy K, Lincoln, NE  
Dykstra, Harold, Canton, SD  
Freiberg, Louis K, Rapid City, SD  
Gerlach, Deborah A, Sioux Falls, SD  
Goldhammer, David J, Sioux Falls, SD  
Griffith, Clayton M, Riverton, WY  
Harr, John H, Sioux Falls, SD  
Hawkinson, Richard W, Sioux Fall, SD  
Hoff, Alton, Aberdeen, SD  
Iverson, Keith A, Queen Creek, AZ  
Johnson, Daryl D, Spearfish, SD  
Johnson, Lyle R, Rapid City, SD  
Jones, Dennis E, Sioux Falls, SD  
Keeney, Terry J, Rapid City, SD  
Kellogg, Colleen J, Pelham, AL  
Macy, Randall L, Bell Fouché, SD  
Manson, Phillip R, Sioux Falls, SD  
McBride, Edward R, Rapid City, SD  
McCarty, William J, Black Hawk, SD  
McCorkell, Howard E, Mitchell, SD  
McKay, Dan E, Castlewood, SD  
Merkwan, Bettie, Yankton, SD  
Monnens, Earl A, Watertown, SD  
Moore, David M, Vivian, SD  
Paganini, Loretta, Sioux Falls, SD  
Peterson, Larry D, McLaughlin, SD  
Roetzel, Scott A, Rapid City, SD  
Rosebrock, Fritz, Aberdeen, SD  
Ruebel, A. Thomas, Hereford, AZ  
Schipper, Lyle, Platte, SD  
Scott, Melvin R, Brookings, SD  
Sessions, Gary R, Rapid City, SD  
Simons, Walter A, Sturgis, SD  
Steele, Kenneth W, Brandon, SD  
Stone, Jeanette D, Vermillion, SD  
Waterfall, Larry, Clark, SD

## Inactive Broker Associate

Brown, Stacey J, Rapid City, SD

Edgington, Kelly D, Rapid City, SD  
Jares, Wayne R, Mitchell, SD  
Jerke, Pamela Sue, Sioux Falls, SD  
Kelly, David M, Sioux Falls, SD  
Leibel, Jodi E, Rapid City, SD  
Ritter, David M, Dunedin, FL

## Inactive Property Manager

Ankrum, Betty J, Sioux Falls, SD  
Behrens, Robyn L, Sioux Falls, SD  
Belker, Sonya S, Minneapolis, MN  
Boehler, Gwen, Rapid City, SD  
Boke, James W, Spearfish, SD  
Folkerts, William J, Watertown, SD  
Fox, Patricia A, Sioux Falls, SD  
French, Jennifer A, Vermillion, SD  
Gerken, Gerald A, Brandon, SD  
Graham, Lois L, Brandon, SD  
Heisinger, Kimberly A, Sturgis, SD  
Koch, Paula A, Riverview, FL  
Kwasniewski, Pamela M, Watertown, SD  
Pagone, Abbie, Sioiux Falls, SD  
Reynold, Somer A, Rapid City, SD  
Salzer, Ann L, Leola, SD  
Schmaus, Melissa, Sioux Falls, SD  
Seaverson, Roy A, Sioux Falls, SD  
Spencer, Judy A, Sioux Falls, SD  
Waltman, Karen, Rapid City, SD  
Wiese, Loretta M, Watertown, SD

## Inactive Res. Rental Agents

Betker, Sonya S, Minneapolis, MN  
Bowman, Nichole L, Gladstone, MI  
Dargatz, Deborah, Aberdeen, SD  
Elliot, Linda G, Harrisburg, SD  
Emery, Ronald G, Hot Springs, SD  
Ferguson, Sonja G, Huron, SD  
Fowler, Harold C, Sioux Falls, SD  
Hakeneis, Vicky, Sioux Falls, SD  
Houg, Lucille, Sioux Falls, SD  
McCallon, Amy K, Sioux Falls, SD  
Muller, Barb, Florence, SD  
Nelson, Arlys, J, Sioux Falls SD  
Wiese, Tina, Rapid City, SD  
Wright, Donnadell M, Sioux Falls, SD

## Inactive Salesperson

Addison, Lee N, Belvidere, SD  
Agee, Annette M, Sidney, IA  
Albertson, Kimberly L, Rapid City  
Alick, Joe L, Sioux Falls, SD  
Anderson, MaryLea E, Sterling, IL  
Asheim, Denice A, Rapid City, SD  
Bachmann, Robert A, Sioux City, IA  
Bailey, Lewis J, Tyndall, SD  
Barber, Kathryn A, Aberdeen, SD  
Baye, Richard A, Philip, SD  
Binder, Sandra K, Chamberlain, SD  
Blair, Ronald E, Sioux Falls, SD  
Bogenrief, Delores, Sioux City, IA  
Bohy, Richard L, Sioux Falls, SD  
Bomberg, William H, Spearfish, SD

Bormann, Shirley A, Sioux Falls, SD  
 Borrall, Candace, Sioux City, IA  
 Boschee, Linda M, Wessington Springs IA  
 Bowen, Joyce O, Sioux Falls, SD  
 Brandner, Nicholas A, Hill City, SD  
 Bratland, R.L. "Cal", Sturgis, SD  
 Braunesreither, Kim M, Yankton, SD  
 Brooks, Wayne R, St. Paul, MN  
 Brown, Raymond L, Dell Rapids, SD  
 Caffee, Gary E, Mitchell, SD  
 Campbell, Barbara H, Vermillion, SD  
 Carey, David C, Sioux Falls, SD  
 Clark, Steven T, Hartford, SD  
 Crum, Carri R, Vermillion, SD  
 Cullen, Carol, Sioux Falls, SD  
 Dafnis, Violet G, Aberdeen, SD  
 Dalton, Donald J, Sioux City, IA  
 Danko, Diana L, Canistota, SD  
 Dannen, Stephanie T, Rapid City, SD  
 Daschel, Jeffrey, Sioux Falls, SD  
 SeBoom, Steven, Sioux City, IA  
 Dede, Wanda J, Sioux Falls, SD  
 Dingler, Melissa S, Brandon  
 Donaway, Cedrick V, Sioux Falls, SD  
 Dutt, Jacob R, Aberdeen, SD  
 Dykstra, Ronald L, Sioux Falls, SD  
 Efting, Angela, Sioux Falls, SD  
 Eiesland, Jess D, Sioux Falls, SD  
 Elyea, Tracy A, Sioux Falls, SD  
 Ensz, Jimmie D, Renner, SD  
 Ensz, Kelly H, Tea, SD  
 Erickson, Jeffory A, Watertown, SD  
 Everett-Slocum, Shannon J, Sioux Falls, SD  
 Fortin, Mary B, Sioux Falls, SD  
 Fowler, Theodore W, Yankton, SD  
 Fox, Jean L, Iroquois, SD  
 French, Jennifer A, Vermillion, SD  
 Gage, Fredrick L, Sioux Falls, SD  
 Garrett, Michael A, Minneapolis, MN  
 Gehm, Robert F, Yankton, SD  
 Gehricke, Jeannie M, Springfield, VA  
 Gerken, Gerald A, Brandon, SD  
 Gerken, Jeanne L, Brandon, SD  
 Giacometto, Leo I, Belle Fourche, SD  
 Gibson, Phil R, Watertown, SD  
 Gildemeister, Patricia, A, Worthington, SD  
 Gillis, Fred E, Aberdeen, SD  
 Goehring, Kim E, Sioux Falls, SD  
 Good, Everett L, Newell, SD  
 Goodrich, Chauncey G, Pinedale, WY  
 Grady, Jeremy C, Salem, SD  
 Grebner, Darlene D, Aberdeen, SD  
 Gribovsky, Jr., Vladimir, Mound, MN

Hamblin, Martin M, Belle Fourche, SD  
 Harpster, Gary, Minneapolis, MN  
 Harrington, Janet, Sioux Falls, SD  
 Harrison, Kari L, Aberdeen, SD  
 Hatle, Lynne A, Vermillion, SD  
 Hayen, Diane S, Spearfish, SD  
 Heezen, Phyllis K, Rapid City, SD  
 Heitshusen, Paul W, Las Vegas, NV  
 Hellwig, Steve, Bath, SD  
 Hendricks, Dawn M, Spearfish, SD  
 Hines, Cynthia S, Sioux Falls, SD  
 Hoff, Charmaine D, Aberdeen, SD  
 Hoff, Douglas H, Bison, SD  
 Hoffman, Blake A, Sioux Falls, SD  
 Hoffman, Stanley E, Sioux Falls, SD  
 Hogan, Michael F, Sturgis, SD  
 Hooper, Geoffrey L, Rapid City, SD  
 Howard, David D, Sioux Falls, SD  
 Huber, Alan R, Sioux Falls, SD  
 Ireland, Wayne M, Sun City West, AZ  
 Iverson, Jeffrey W, Sioux Falls, SD  
 Jensen, Debra L, Black Hawk, SD  
 Jerzak, David A, Sioux Falls, SD  
 Johnson, Barbara K, Sioux Falls, SD  
 Kautz, Rick L, Sioux Falls, SD  
 Kendall, Duane E, Brookings, SD  
 Kettering, Julene A, Brentford, SD  
 Kinash, Paul R, Florissant, CO  
 King, K. Angie, Wessington, SD  
 Klimisch, JoAnn H, Yankton, SD  
 Knutson, Steven L, Hot Springs, SD  
 Koch, Bonnie M, Rapid City, SD  
 Kopecky, Helen, Aberdeen, SD  
 Kost, Jay R, Worthington, SD  
 Kranz, Gwendolyn R, Cedar Rapids, IA  
 Krause, Danette G, Sioux Falls, SD  
 Kruse, Adam J, Sioux Falls, SD  
 Landeen, Neal J, Sioux Falls, SD  
 LaQua, Gerald G, Sioux Falls, SD  
 Lease, Donna F, Sioux Falls, SD  
 Lee, Terri J, Sioux Falls, SD  
 Lehmkuhl, Roger F, Pierre, SD  
 Lienemann, John E, Salem, SD  
 Lindholm, Keith W, Rapid City, SD  
 Link, Doris M, Rapid City, SD  
 Littau, Douglas D, Wamego, KS  
 Livermont, Kristina J, Pierre, SD  
 Lloyd, Scott R, Sioux Falls, SD  
 Lloyd, Willie A, Lemmon, SD  
 Lodmel, Floyd R, Huron, SD  
 Lokken, Purcelle L, Yankton, SD  
 Maher, Timothy J, Bismarck, ND  
 Mailand, Christina L, Danbury, WI  
 Mandernach, Leslie E, Selby, SD  
 Margoni, Carol M, Harrisburg, SD  
 Marschall, Cindy L, Rapid City, SD  
 Mashino, Jeffrey B, Sioux Falls, SD  
 McCorkell, Carolae, Mitchell, SD  
 McWilliams, Ric T, Liberty, MO  
 Miles, Marie E, Custer, SD  
 Mills, Sharla J, Scottsdale, AZ  
 Molohon, Lulu F, Marshall, MN  
 Moore, Clifford C, Huron, SD

Moore, Donald K, Rapid City, SD  
 Mork, Gary E, Brookings, SD  
 Morris, Christine, Brandon, SD  
 Moser, Daniel J, Sioux Falls, SD  
 Mullenberg, Stephen A, Sioux City, IA  
 Munk, Randy L, Lead, SD  
 Munson, Arlin D, Milbank, SD  
 Muth, Amy M, Mitchell, SD  
 Muth, Jeremy J, Rapid City, SD  
 Myers, Wallace G, Sioux Falls, SD  
 Nelson, Candace C, Mattawan, MI  
 Nelson, Jefferey O, Brandon, SD  
 Nelson, Rita M, Sioux Falls, SD  
 Nelson, Will W, Keystone, SD  
 Obert, Bernadette M, Sioux Falls, SD  
 Olson, Patricia A, Sioux City, IA  
 Opbroek, Cheryl K, Sioux Falls, SD  
 Parks, James A, Sioux City, IA  
 Parriott, William R, Brookings, SD  
 Patterson, Leora R, Rapid City, SD  
 Paulson, Todd S, Valley Springs, SD  
 Pearson, Richard L, Wentworth, SD  
 Peckham, Howard J, Sioux Falls, SD  
 Pedersen, Hans O, Sioux Falls, SD  
 Pesicka, Dawn L, Sioux Falls, SD  
 Peterson, Cheryl L, Turton, SD  
 Pich, Helen L, Rapid City, SD  
 Pieper, Carol A, Watertown, SD  
 Preston, Polly J, Hermosa, SD  
 Prosser, Laura M, Sturgis, SD  
 Quinn, Donna J, Spearfish, SD  
 Radack, Marcene J, Yankton, SD  
 Ranschau, Norman W, Sioux Falls, SD  
 Rasmuessen, Clyde J, Rapid City, SD  
 Reiter, Jill R, Sioux Falls, SD  
 Rick, Keath W, Norfolk, NE  
 Rickenbach, Trecia J, Sioux Falls, SD  
 Rieck, Richard R, Rapid City, SD  
 Rustand, Thomas L, Brandon, SD  
 Rysavy, Thomas M, Sioux Falls, SD  
 Sanchez, Steve R, Sioux Falls, SD  
 Schaefer, Sandra K, Monroe, SD  
 Scheiber, Merle D, Sioux Falls, SD  
 Schemmel, Kristi J, Harrisburg, SD  
 Schiefelbein, Bradley, Elkhorn, NE  
 Schley, Burdean R, Huron, SD  
 Schoon, Jacqueline J, Sioux Falls, SD  
 Schreck, Gregory R, Sioux Falls, SD  
 Schultz, Debra G, Sioux Falls, SD  
 Schultz, H. Dean, Sioux Falls, SD  
 Schwebach, Jeffrey P, Dell Rapids, SD  
 Severson, Shelly A, Brandon, SD  
 Sharpe, Bruce L, Sioux Falls, SD  
 Simkins, Loren L, Braddock Heights, MD  
 Sirota, Steven O, Rapid City, SD

Smith, Kathy J, Huron, SD  
 Snook, Clinton D, Hulet, WY  
 Snortum, Janice L, Mitchell, SD  
 Sopoci, James L, Mitchell, SD  
 Spielmann, Joseph M, Plankinton, SD  
 Stapp, Harold J, Newell, SD  
 Steinley, Gae L, Rapid City, SD  
 Stekly, John W, Platte  
 Stenseth, David L, Sioux Falls, SD  
 Stephens, Jennifer L, Spearfish, SD  
 Stolte, Judith A, Sioux Falls, SD  
 Stork, Marjorie L, Mandan, ND  
 Strong, Stephanie L, Sturgis, SD  
 Stubbs, Alicia L, Rapid City, SD  
 Sunne, Cheryl A, Corona, SD  
 Suvada, Deborah A, Deadwood, SD  
 Swanson, Cheryl J, Clark, SD  
 Swanson, Richard E, Sioux Falls, SD  
 Swanson, Marlys J, Clear Lake, SD  
 Thompson, Roger D, Rapid City  
 Thomsen, Robert A, Longvalley, SD  
 Tibbetts, John B, Sioux Falls, SD  
 Tiefenbach, Victoria S, Sioux City, IA  
 Timm, Suzanne T, Watertown, SD  
 Tobin, Lori A, Aberdeen, SD  
 Torrey, Sandra J, Custer, SD  
 Two Lance, Clare L, Pine Ridge, SD  
 Van DeRostyne, William J, Aberdeen, SD  
 Vande Garde, Glenn L, Kadoka, SD  
 Vershure, Claude E, Custer, SD  
 Waldo, Pauline R, O'Neill, NE  
 Walz, Jerry A, Vermillion, SD  
 Weber, Catherine J, Winner, SD  
 Weiss, Connie J, Sturgis, SD  
 Weller, Jean A, Yankton, SD  
 Westby, Curt L, Rapid City, SD  
 Westergaard, Matthew T, Mitchell, SD  
 Whitcher, Gregory D, Black Hawk, SD  
 Wicks, Cindy L, Rapid City, SD  
 Wilhelmi, Jared, J, Rapid City, SD  
 Willcut, Roger E, Yankton, SD  
 Williams, Leanna M, Sioux City, IA  
 Word, Scott R, Pierre, SD  
 Young, Constance J, Spearfish, SD  
 Zeig, Rosemary K, Scottsdale, SD  
 Zweber, Jesse R, Hoven, SD

#### Inactive Time Share Agents

Bell, Paula A, Madison, SD  
 Bulfer, Thomas G, Madison, SD  
 Loftus, Jr. Daniel K, Rapid City, SD  
 Ullestad, Argyl E, Rapid City, SD  
 Varilek, Andrew, Rapid City, SD  
 Venekamp, Dustin, Rapid City, SD  
 Weidenbach, Mary E, Armour, SD  
 Wunder, Karen E, Rapid City, SD

## Clandestine Drug Labs, the Newest Real Estate Hazard

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REALTORS® could be lulled into a false security by thinking that this is only an issue for economically depressed neighborhoods; this is not always the case. Many of the "meth" laboratories are found in upscale, gated communities making them less of an obvious target for law enforcement. Because methamphetamine has only recently become a popular drug, the long-term effects of exposure to precursor chemicals on children and others are unknown.

Washington, Arizona, Missouri and Illinois are among the states that have already passed legislation designed to deal with this issue. In Arizona the passing of House Bill 2595 blindsided many in the Real Estate community, prompting a "CLANDESTINE DRUG LAB SYMPOSIUM" SPONSORED BY THE ARIZONA REAL ESTATE EDUCATORS ASSOCIATION AND THE PHOENIX ASSOCIATION OF REALTORS®. THE DETAILS OF HB2595 HAVING THE GREATEST IMPACT ON REALTORS® INCLUDE LANGUAGE SUCH AS, "...IT IS UNLAWFUL FOR ANY UNAUTHORIZED PERSON TO ENTER THE RESIDUALLY CONTAMINATED PORTION OF THE REAL PROPERTY, ...THE OWNER SHALL NOTIFY THE BUYER IN WRITING THAT METHAMPHETAMINE, ECSTASY OR LSD WAS MANUFACTURED ON THE REAL PROPERTY, ...A PERSON WHO KNOWINGLY VIOLATES AN ORDER OR NOTICE OF REMOVAL THAT IS ISSUED BY A PEACE OFFICER UNDER THIS SECTION IS GUILTY OF A CLASS 6 FELONY. A PERSON WHO KNOWINGLY DISTURBS A NOTICE OF REMOVAL POSTED ON THE REAL PROPERTY IS GUILTY OF A CLASS 2 MISDEMEANOR."

According to the Arizona Attorney General, methamphetamine is the number one illegal drug contributing to violent crime in Arizona. Not only is "meth" highly addictive, it is easily and cheaply produced using common household

chemicals and over the counter cold medicines. The manufacturing process, however, is very dangerous, since volatile substances, and red phosphorus (used to ignite matches), are involved when "cooking" meth down to its final stage. Because the chemicals used are highly flammable, fires and explosions that result in injury or death are common.

After equipment and chemicals from an illegal drug laboratory have been removed, residue from the various chemicals may still be present in the building in drains, on surfaces, furnishings or household items. The dangerous by products generated from the ingredients pose serious environmental hazards that can persist in the soil and groundwater for years. These environmental effects can cost the US Government as well as property owners millions of dollars. For every pound of methamphetamine produced, five to six pounds of toxic waste are left behind.

Arizona is not alone in dealing with this problem; in 2002 the DEA reported that meth lab raids were on the rise, approximately 9,000 as compared to 800 in 1995. Due to the increase many states are considering legislation designed to deal with this problem. Any newly enacted legislation will undoubtedly include provisions that will affect you and your real estate license.

The following websites may prove helpful in providing more information on this and other potential Indoor Air Quality Hazards.

<http://www.radanovich.house.gov/meth/stats.htm>

<http://palabs.com/services/spotlightservices.asp>

If you suspect a home is being used as a meth lab, you are strongly encouraged to contact your local police or sheriff's department. In Arizona you may call the Attorney General's Criminal Division at (602)542-3881.

*(This article was republished with permission from Envirotips September 2003).*

## Simple Rules for The Do-Not-Call List

by Jim Remley

Okay I know what you're thinking. You're thinking this: "Enough already with the do-not-call list!"

I agree 100 percent, so let me break this down quick and dirty. I could care less about the philosophy behind the law, and how the industry is changing, and how we have to adapt to the new economy. We could talk for hours about these issues and end up accomplishing nothing.

Agents only want to know some simple answers to some simple questions like this: *Can I still call FSBOs, or Expired Listings, or Just Listed/Just Sold, or people in my farm?*

Absolutely! Just make sure the people are not on the do-not-call list. Of the roughly 250,000,000 people in our country, and over 50,000,000-60,000,000 phone numbers now on the list, odds are still in your favor. If they are on the list, you just fall back to visiting them in person or contacting by e-mail or regular mail.

Standing in front of a seminar group, I could probably use that answer and get away with it, but there is a problem here that many agents and brokers don't see which is the next question everyone should be asking:

*How do I check to see if someone is on the list?*

You've now asked the question that will be critical to your success. After hours of research after being asked just that question at a seminar recently, I finally found the answer and here it is:

You or your broker will need to register with the national do not call registry as a telemarketer (the definition is a wide one). When you register, you will then be able to receive up to five area codes of do-not-call registered phone numbers which you can then cross-reference when you're making your prospecting calls.

Now, some good news. This service is free, unless you register more than five area codes. If you register more than five area codes, then you are charged an additional \$25 per area code, with this fee good for a year.

To do this, click here or go to [www.telemarketing.donotcall.gov](http://www.telemarketing.donotcall.gov).

Here is the last question that I hear often: *So should we all collectively put down our phones and scramble to find other ways to prospect for new business?*

Not yet. Weak agents never picked up the phone to begin with, and now they have a great excuse to continue justifying their own failures. Strong agents see this law as a huge opportunity. If you assume that half your competition has now put down their phones perhaps prematurely this can be a window of opportunity for your business.

My advice to any agent is to use this new law as a tool to build your business over the next several months. Sure, many of us are migrating to new prospecting styles like sphere-of-influence marketing, and direct-response marketing both of which I think are terrific, but that doesn't mean we should abandon quite yet the tried and true prospecting methods that have built many of our careers.

*(This article was republished with permission from Reality Times [www.realitytimes.com](http://www.realitytimes.com)).*

## Associations seek to set standards for agent behavior Minimum business practices needed

Continued from page 1

Distilled to the fewest number of words: A number of real estate insiders are watching what's going on in the profession and are disturbed by what they see.

Says Belton Jennings of the Orlando association, "We are in an industry where practices are different depending on whether you're standing in front of a desk A or desk B. Because we don't have standard ways of doing things, outsiders are dictating what our standards should be. The purpose of this meeting is to see if we can create our own standards."

The ambitious goal to move from the Orlando meetings toward creation of a "National Real Estate Standards

Institute." From that institute eventually would come a "Real Estate Consumer's Bill of Rights." The industry and affiliates will be asked to accept it.

That Bill of Rights, said Jennings, would be different from state laws (which set ground rules for licensing) and from the Realtor Code of Ethics (which is largely a blueprint for how competitors will compete with each other).

Rather, it would seek to establish street-level benchmarks of methods practices and behavior.

Says Conaway "Right now what you have is a number of forces coming in and saying, 'We're only going to do business with you if you do business THIS way.'"

Real estate affiliates currently influencing standards include:

- The relocation industry. "They were the first to set real estate standards. They want their employees treated in a certain way or they won't do business with you."
- Title companies. "With emerging transaction management platforms, they are going to require sales associates to do things in a certain way."
- E&O insurance carriers. "They want to make sure you're doing business in a way that isn't a risk or they won't cover you."
- Prepaid legal services. "As a risk management tool, they want to make sure agents are meeting certain criteria."
- Courts. "The courts are beginning to decide how agents should perform transactions."
- Customers. "The courts are beginning to decide how agents should perform transactions."
- Brokers. "Brokers are making an effort to improve their profitability and that's going to mean sales associates are going to have to operate in a certain manner."
- Real estate organizations. "Real estate is undergoing a change in how listings are taken."
- The banking industry. "The banking industry is getting ready to unleash a torrent of referrals on real estate. They are going to want to see standards on how those are handled."

Much of the impetus for standards is a result of the Internet, says Conaway. "We are seeing Internet empowered consumers walking into real estate offices knowing more about the product and the type of experience they want ever before," he said "That means (professionals) need to create an environment that is prepared to meet higher expectations. That means standards."

There have been attempts in the past to create sales associate standards but most have failed because broker/owners have been uncertain about what demands can be made on independent contractors. Also, some brokers are fearful that if they attempt to set rules of agent performance, that will make them more liable for agent behavior.

Writes Conaway on the Touchstone for Excellence Web site ([www.touchstonforexcellence.com](http://www.touchstonforexcellence.com)).

"Most Realtor Association executives would agree that the majority of complaints they receive from the public and other Realtors are not ethical in nature. Rather, they concern acts of unprofessional behavior -- unreturned calls, no shows for showing appointments, lack of feedback from listing agents, sloppy paperwork, lack of follow-through, doors left unlocked, promises not kept, and on and on."

Says Orlando's Jennings, "These are the things that need to be addressed. If we don't set business standards for real estate, we're afraid someone else will."

*(This article was republished with permission from ALQ Real Estate Intelligence Report, Volume 15, no. 2, January 2004).*

### Visit us on the Web

[www.state.sd.us/sdrec](http://www.state.sd.us/sdrec)

You can find a plethora of information on our web page from forms and supplemental guides to our frequently asked question section. Just type in the above URL and save it as a favorite to have all of that information at your fingertips 24hrs a day

# APPRAISER UPDATE

This section of the South Dakota Real Estate Review is the responsibility of the South Dakota Department of Revenue and Regulation Appraiser Certification Program. Articles are printed here to communicate pertinent information to those appraisers who receive this newsletter and are licensed under the Certification Program. Appraiser certification inquiries can be directed to Sherry Bren, Program Administrator, 445 East Capitol, Pierre, SD 57501, 605-773-4608

## Appraiser Certification Program Mission – Purpose – Intent

The Appraiser Certification Program was implemented July 1, 1990, pursuant to enactment of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) by Congress. The mission of the Program is to certify, license and register appraisers to perform real estate appraisals in the state of South Dakota pursuant to Title XI (FIRREA). The purpose of the Program is to examine candidates, issue certificates, investigate and administer disciplinary actions to persons in violation of the rules, statutes and uniform standards, and approve qualifying and continuing education courses. Title XI intends that States supervise all of the activities and practices of persons who are certified or licensed to perform real estate appraisals through effective regulation, supervision and discipline to assure their professional competence.

## USPAP Q & A December 2003, Vol. 5, No. 12

**Question 1.** Do Standards Rules 1-5 and 7-5 require an appraiser to analyze the sales history for comparable sales?

**Question 2.** I know that Standards Rule 1-5(a) requires an appraiser to analyze any current listings of the subject property. Does it also require analysis of prior listings of the subject property?

January 2004, Vol 6, No. 1

**Question 1.** I have been told that since email is not secure, delivering reports to my clients by email violates the confidentiality requirements of USPAP. Does emailing a report violate USPAP?

**Question 2.** A new state law requires all real estate appraisers in my area to regularly submit a log to the state appraiser board reporting the address of properties appraised along with the value opinion. Does this violate the confidentiality requirement in USPAP?

Answers to the above questions can be found at: [www.appraisalfoundation.org](http://www.appraisalfoundation.org)

## 2003 Review of Cases

As of December 31, 2003

For the period January 1, 2003 through December 31, 2003 there have been seven (7) upgrade applications, three new applications claiming experience, and five complaints submitted to the Appraiser Certification Program. Upgrade: Five (5) upgrades have been issued and two (2) upgrades are pending. New applicants claiming experience: Three new certificates have been issued. Complaints: Two (2) complaints are pending and three (3) complaints were disposed of by settlement agreement. (The complaints were filed by an attorney, an appraiser, anonymous, and two consumers.)

## New Licensees December 2003 and January 2004

Timothy N. Kuchta, State-Licensed (reciprocity) – Hartington, NE  
Iris L. Meligan, State-Registered – Ft. Pierre, SD  
Taneal M. Jepsen, State-Registered – Sioux Falls, SD  
Paul D. Huiskes, State-Certified Residential (reciprocity) – Luverne, MN  
Brian W. Watts, State-Certified General (reciprocity) – Houston, TX

## Administrative Rules of South Dakota

Effective February 2, 2004

**20:14:03:03. Use of titles in advertising.** A license or certificate holder advertising through any media may be identified as a state certified general appraiser, state certified residential appraiser, state licensed appraiser, or state-registered appraiser by listing the appropriate classification title as displayed on the license or certificate issued by the department. For purposes of this section, the term, media, includes newspapers, magazines, business cards, Internet, and directories, including any listing in a telephone directory. No advertising may be misleading in characterizing the classification title of licensure or certification possessed by the appraiser.

**20:14:03:06. Reinstatement of certificate on inactive status.** An appraiser on inactive status who wishes to return to active status must submit a written request along with evidence of successful completion of twenty-eight hours of instruction in approved courses or seminars to the secretary for reinstatement of the appraiser's certificate to active status before resuming real estate appraisal activity. Seven of the twenty-eight classroom hours must be completed in the seven hour update course or its equivalent. The classroom hours of instruction must be completed subsequent to the appraiser's certificate being placed on inactive status and within twenty-four months prior to the request for reinstatement of the certificate.

**20:14:06:01. Conformance with uniform standards.** An appraisal must conform to the **Uniform Standards of Professional Appraisal Practice**, 2004 Edition. The appraisal must also disclose any steps taken that were necessary or appropriate to comply with the competency rule of the uniform standards. [The Uniform Standards of Professional Appraisal Practice, 2004 Edition, is



available from the Appraisal Foundation, P.O. Box 381, Annapolis Junction, MD 20701-0381. Cost: \$30 plus shipping and handling.]

**20:14:13:01.01. Continuing education deferral.** The secretary may defer the continuing education requirement as specified in § 20:14:13:01 if either of the following conditions is met:

(1) The appraiser's certificate was issued in the preceding 12 months. However, this subdivision applies to first-time applicants only and not to applicants wishing to upgrade a current license or certificate, or

(2) The appraiser is certified or licensed by reciprocity. However, the appraiser must demonstrate possession of a current appraiser certificate and be in good standing in the state of domicile.

A copy of the current rules effective February 2, 2004 are available free of charge from the Department of Revenue and Regulation, Appraiser Certification Program, 445 E. Capitol Ave., Pierre, South Dakota 57501-3185 or at [www.state.sd.us/appraisers](http://www.state.sd.us/appraisers).

## Why we can't just "Rename" the client...

*(USPAP Redefines Appraiser Relationship With the Client, reprinted by the Department of Revenue and Regulation, Appraiser Certification Program with permission by the author, George Vann, SRA and the Appraisal Buzz Newsletter. This article from Vanntage Point, the newsletter for Lender's Service Appraisal Network, was reprinted with permission in the Appraisal Buzz Newsletter on January 12, 2004. George Vann, SRA, is Chief Appraiser and Quality Assurance Manager of LSI, a division of Fidelity National Financial, Inc.)*

Recently, the Appraisal Standards Board (ASB) has spent considerable time and effort in restating the definition of the appraiser-client relationship in more emphatic terms. They have taken the previous Advisory Opinion 10, and split it three ways to form Advisory Opinions 25, 26, and 27. In some aspects, the ASB simply amplifies their previous message,

but in other areas, they have actually reversed course, wisely, I think, to create a more workable definition of the appraiser-client relationship, one that recognizes no appraiser serves only one client. To the contrary, most appraisers service many clients that inevitably will be at cross-purposes regarding a subject property on occasion.

The ASB expressly states that the nature of the appraiser-client relationship should drive the scope of work decision. Therefore, it is essential that the appraiser understands the needs of the client or intended user, and perform that scope of work necessary to best meet that need.

Advisory Opinion 25 repeats what we knew before in advising us to assure ourselves of the purpose of the report before beginning the appraisal. All of us should know by now that if a borrower approaches us directly seeking appraisal services for purposes of securing financing, and it is a federally related transaction (as most loans are), we should steer the borrower back to his lender advising him that he should apply for the loan and permit the lender to place the order with us. To quote from USPAP, Advisory Opinion 25, disclosure is the key:

Before an appraiser accepts an assignment knowing the intended use of the appraisal is, or may be, for a federally related transaction by a federally insured depository institution, it is that appraiser's responsibility to disclose to the prospective client that the lender or its agent is required to directly engage the appraiser. The appraiser should also disclose to the prospective client that *it is unethical* for the appraiser to later "readdress" or otherwise change the report to indicate a federally insured depository institution was the client when the appraisal was performed for another party (see AO-25 titled "Readdressing [Transferring] a Report to Another Party" and AO-27 titled "Appraising the Same Property for Another Client" for related advice on this issue).

If the client still wishes to proceed with the appraisal after the appraiser has properly fulfilled these disclosure obligations, the appraiser can accept the assignment. It would be prudent to recite disclosures in the engagement letter and in the report. (Also refer to SMT-9 for

additional information relating to intended use and intended users.)

Advisory Opinion 26 better defines the client, intended use, and intended user. The client is the party or parties who engage an appraiser by employment or contract in a specific assignment. Assignment is defined as a valuation service provided as a consequence of an agreement between an appraiser and a client. The intended use is defined as the use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment. The intended user is the client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Again, quoting from USPAP, now Advisory Opinion 26, identification of the client, any other intended users, and the intended use are key elements in all assignments. Because these identifications drive the appraiser's scope of work decision, as well as other elements of the assignment, they *must* be determined at the time of the assignment. They *cannot be modified* after an assignment has been completed. See Statement on Appraiser Standards NO. 9 (SMT-9) for further clarification.

Advisory Opinion 27 represent a reversal of form AO-10. Now, appraisers are free to perform an appraisal numerous times. The new opinion holds that to seek release of the appraisal from Client A reveals privileged information about Client B to Client A, or vice versa. Therefore, appraisers may perform the appraisal for others so long as they carefully manage the confidentiality of the client. For example, if you performed an appraisal last week for Client A, and Client B called today to ask for an appraisal of the same property, the appraiser may take the assignment so long as he or she does not disclose any privileged information about the prior assignment.

*[For your own copy of these published opinions, please go to [http://www.lendersservice.com/newsletter/AOs\\_25-26-27.pdf](http://www.lendersservice.com/newsletter/AOs_25-26-27.pdf)]*



[Website for the Appraisal Buzz publication, please go to [www.appraisalbuzz.com](http://www.appraisalbuzz.com)]

## Did You Really Inspect the Property?

Appraisers should review Advisory Opinion 5 (AO-5) which provides advice to appraisers regarding the “Assistance in the Preparation of an Appraisal”. Advisory Opinion 5 (AO-5) addresses the issue of what is the appropriate level of participation for assistants in the appraisal process. Clients that require a licensed or certified appraiser, along with the agencies and entities responsible for federally related transactions, are concerned about the extent of participation of nonlicensed or uncertified assistants in the appraisal process. The issue is often expressed in terms of whether the assistant can conduct the property inspection alone, perform other parts of the appraisal process, or prepare an appraisal and appraisal report certification that only the principal appraiser signs.

Although the parties who raised this issue are primarily concerned with the field of residential appraising, the advice applies to all appraising.

The relevant responsibilities of appraisers with regard to this issue in USPAP are stated in the Conduct section of the ETHICS RULE, the COMPETENCY RULE, and Standards Rules 2-3, 6-8, 8-3, and 10-3. Advisory Opinion AO-2 on *Inspection of Subject Property Real Estate* offers additional guidance for real estate appraisers.

The Comments to Standards Rules 2-3, 6-8, 8-3, and 10-3, as applicable, are the most direct references in relation to this issue and require that any appraiser who signs a report prepared by another must accept full responsibility for the appraisal and report. The text of each rule is unequivocal and directly addresses the concerns of the parties who raised this issue.

Standards Rules 2-3, 6-8, and 8-3 require each appraiser signing a report to state whether or not he or she inspected the subject property and whether anyone not signing the report provided significant

professional assistance. This mandatory disclosure informs and protects the client and other users of the appraisal.

The Conduct section of the ETHICS RULE states that an appraiser must not communicate assignment results in a misleading or fraudulent manner and that an appraiser must not use or communicate a misleading or fraudulent report or knowingly permit an employee or other person to communicate a misleading or fraudulent report.

The responsibility of the principal for the work of one or more assistants is inherent in most professions. The principal appraiser is responsible for closely supervising the work of assistants, for the training and development of assistants, and for exercising judgment as to the level of work the assistant is capable of and competent to perform. The assistant, in turn, uses education, experience, and work product performed under the direction of the principal appraiser to achieve licensing, certification, and/or professional designation. Each assistant will demonstrate proficiency in various aspects of the appraisal process at differing time intervals during his or her professional development. As proficiency is demonstrated by an assistant, it is appropriate for the principal appraiser to place greater reliance on the work of that assistant.

The extent of assistance that can be provided in the appraisal process is directly related to the competence of the assistant, and the principal appraiser is responsible for continually evaluating the competence of his or her assistants.

Advisory Opinion 5 (AO-5) encourages clients that have evidence that a particular appraiser or firm is not taking appropriate responsibility for the actions of assistants to file a complaint with the state appraiser regulatory body. AO-5 further states the complaint should be brought against the principal appraiser as well as against the assistant.

A supervising appraiser certifying that he or she has personally inspected the subject property but in fact has not personally inspected the subject property has violated the Uniform Standards of Professional Appraisal Practice.

[Above are excerpts from Advisory Opinion 5 (AO-5) as published by The Appraisal Foundation. Other relevant sections are Advisory Opinion 2 (AO-2), the ETHICS RULE, and the COMPETENCY RULE of USPAP.]

## OCC's Watson on Appraiser Independence; Regulators Available for Complaints

In response to concerns over the independence of the collateral valuation process, the five federal bank regulatory agencies issued a joint statement to financial institutions October 28, 2003, clarifying the existing standards within the appraisal and real estate lending regulations regarding this matter. In December, the Appraisal Institute interviewed Tom Watson, a National Bank Examiner and Credit Risk Specialist at the Office of the Comptroller of the Currency, about appraiser independence for its Federal Line publication.

In addition to complaints that such selection practices do go on, Watson told The Federal Line that the concerns most often cited by examiners include the use of borrower-ordered appraisals and the last of separation between collateral valuation functions and loan production. “The use of borrower-ordered appraisals or readdressed appraisals violates the appraisal regulation,” he said. In addition, “pressure on appraisers to ‘hit a number or you won’t work for us again’ is overt coercion, an unacceptable practice and one that violates the independence paragraph of the appraisal regulation.”

Watson emphasized that appraisers need to play an active role in monitoring coercion by submitting complaints to the bank’s primary regulator or Ombudsman from one of the financial institution regulatory agencies. As a sidebar to the Federal Line interview, the Appraisal Institute has compiled the contact information for where to report a problem with a lender.

To read the full Federal Line interview, visit [www.appraisalinstitute.org/govtaffairs/downloads/fed\\_line/Dec\\_2003.pdf](http://www.appraisalinstitute.org/govtaffairs/downloads/fed_line/Dec_2003.pdf)



# SPRING CARAVAN 2004

Even though the majority of South Dakota is still covered in snow the South Dakota Real Estate Commission is looking into the future. We are happy to announce the dates have been set for the 2004 Educational Spring Caravan. This year's caravan will be one of the best so far with an amazing instructor and a couple of great topics.

As always refreshments will be provided by the South Dakota Real Estate Commission.

Ft. Pierre - Holiday Inn - April 26<sup>th</sup>  
Rapid City - Ramkota - April 27<sup>th</sup>  
Spearfish - Holiday Inn - April 28<sup>th</sup>  
Sioux Falls - Ramkota - May 4<sup>th</sup> and 5<sup>th</sup>  
Brookings - Brookings Inn - May 6<sup>th</sup>  
Aberdeen - Ramada - May 7<sup>th</sup>

Instructor: Marie Spodek

Course: Caught on Camera (Anitrust) & Practicing Safe Agency (Representing the Buyer)

Continuing Education Hours: 6 Required

Registration Fee: \$50.00 (includes cookies during morning break)

Class begins at 9:00 a.m.

(Walk-in registration begins at 8:15)

For access assistance, handicapped persons may call the Commission office at (605) 773-3600.

Pre-registration is required to guarantee admission. Failure to register may prohibit your attendance if the class is full. The Commission will retain \$10 of any refunded registration fee. Please complete and mail the registration form below along with the registration fee to the S.D. Real Estate Commission at 425 East Capitol, Pierre, SD 57501. Registration deadline is 5 days prior to each session.

✂ -----

**\$50 registration fee payable to SDREC must  
accompany this form. PLEASE — one registrant**

**SOUTH DAKOTA REAL ESTATE COMMISSION  
Registration Form  
Spring 2004 Educational Caravan**

Name \_\_\_\_\_ License Number and Type \_\_\_\_\_

(Mailing Address) \_\_\_\_\_ (City) \_\_\_\_\_ (State) \_\_\_\_\_ (Zipcode) \_\_\_\_\_ (Phone) \_\_\_\_\_

Please check which you would like to attend.

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Ft. Pierre — April 26th | <input type="checkbox"/> Sioux Falls — May 4th | <input type="checkbox"/> Brookings — May 6th |
| <input type="checkbox"/> Rapid City — April 27th | <input type="checkbox"/> Sioux Falls — May 5th | <input type="checkbox"/> Aberdeen — May 7th  |
| <input type="checkbox"/> Spearfish — April 28th  |  |  |